



PUBLIC UTILITIES COMMISSION OF SRI LANKA

Electricity Generation Licence

Granted to

Ceylon Electricity Board

Licence No: [.....]

8th October 2009

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PART I TERMS OF THE LICENCE

1. Grant of the Licence

The Public Utilities Commission of Sri Lanka (hereinafter referred to as the "**Commission**"), in exercise of the powers conferred by Section 13(1)(c)(i)(a) of the Sri Lanka Electricity Act, No. 20 of 2009 (hereinafter referred to as the "**Act**") hereby grants to the **Ceylon Electricity Board** a statutory body established under the Ceylon Electricity Board Act, No. 17 of 1969 (as amended) and having its registered office at No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 (hereinafter referred to as the "**Licensee**") a licence to generate electricity at the Generation Plant(s) identified in the Schedule during the period specified in Term 4 (hereinafter referred to as the "**Licence**"), subject to the Conditions (hereinafter referred to as the "**Conditions**") set out in Part II.

2. Modifications of the Licence

The Terms and Conditions of this Licence are subject to Modification in accordance with the Terms and Conditions contained herein or with Sections 32 or 33 of the Act.

3. Approvals

The Licensee shall obtain all the approvals required under applicable Laws, Regulations and Rules necessary to carry out the Generation Business.

4. Term of the Licence

The Licence hereby granted shall come into force on **8th October 2009** and, unless revoked or surrendered in accordance with the provisions of Term 5 or 6 below, shall continue in full force and effect for a period of **fifteen (15) years** or where this Licence relates to more than one Generation Plant, such other period(s) as may be specified in the Schedule.

5. Revocation of the Licence

This Licence shall be revoked by the Commission in accordance with Section 20 of the Act and Condition 14 of this Licence.

6. Surrender of the Licence

This Licence may be surrendered by the Licensee with the written consent of the Commission.

7. Extension of the Licence

On or before the fourteenth (14th) anniversary of the date on which this Licence comes into force, the Licensee shall apply for an extension of this Licence in accordance with Chapter III Part I of the Act, and such extension may be issued subject to conditions determined by the Commission.

Sealed with the common seal of the Public Utilities Commission of Sri Lanka on 2009.

Member of Commission

Member of Commission

PART II GENERAL CONDITIONS OF THE LICENCE

Condition 1: Interpretation and construction

1. Unless the contrary intention appears:
 - (a) words and expressions used in the Conditions or the Schedule shall be construed as if they were in an enactment and the Interpretation Acts applied to them; and
 - (b) references to an enactment shall include primary and subordinate legislation and, in both cases, any Modification or re-enactment thereof after the date when this Licence comes into force.
2. Any word or expression defined in the Act for the purposes of any provision of the Act shall, unless the contrary intention appears, have the same meaning when used in the Conditions or in the Schedule.

3. In the Conditions and in the Schedule, unless otherwise specified or the context otherwise requires:

"Affiliate" in relation to the Licensee, means any Holding Company of the Licensee or any Subsidiary of the Licensee or any Subsidiary of a Holding Company of the Licensee, in each case within the meaning of the Companies Act, No. 7 of 2007;

"Ancillary Services" has the meaning corresponding with that in Power Purchase Agreements;

"Approved" for the purposes of Condition 5, means approved by the Commission in accordance with Section 3(1)(c) of the Act, and **"Approval"** shall have a corresponding meaning;

"Distribution Licensee" means a person licensed to distribute and supply, or distribute or supply, electricity under Section 13(1)(c)(i)(c) of the Act;

"Distribution System" means all electric lines of a Distribution Licensee within that Distribution Licensee's authorised area (except lines forming part of the Transmission System and the distribution systems of other Distribution Licensees) and any other electric lines which the

Distribution Licensee may, with the approval of the Commission, specify as being part of the Distribution Licensee's distribution system, and includes any electric plant, meters, transformers and switchgear of the Distribution Licensee and which is used for conveying electricity to premises;

- "Electricity Undertaking"** means any person engaged in the generation, transmission, distribution or supply of electricity;
- "Extra High Voltage"** means a voltage equal to or higher than 132kV;
- "Financial Year"** has the meaning given to it in paragraph 1 of Condition 9;
- "Generation Business"** means the licensed business of the Licensee and any Subsidiary or Related Undertaking of the Licensee engaged in the generation of electricity;
- "Generation Licence"** means a licence granted under Section 13(1)(c)(i)(a) of the Act;
- "Generation Plant"** means any plant or apparatus used for the production of electricity;
- "Holding Company"** means a holding company within the meaning of the Companies Act, No. 7 of 2007;
- "Levy Order"** means an order made by the Commission under Section 46(1) of the Act.
- "Modification"** includes addition, omission, amendment and substitution, and cognate expressions shall be construed accordingly;
- "Power Purchase Agreement"** means a contract for the provision of the whole or any part of the available capacity and/or the sale or other disposal of the whole or any part of the output of a generation unit or combination of generation units;
- "PUCSL Act"** means the Public Utilities Commission of Sri Lanka Act, No. 35 of 2002;

"Related Undertaking"	means any related undertaking within the meaning of the Companies Act, No. 7 of 2007;
"Subsidiary"	has the meaning given in the Companies Act, No. 7 of 2007, and "Subsidiaries" shall be defined accordingly;
"Transmission Licence"	means a licence granted under Section 13(1)(c)(i)(b) of the Act;
"Transmission Licensee"	means the holder of a licence to transmit electricity under Section 13(1)(c)(i)(b) of the Act; and
"Transmission System"	means the system which is owned and operated by the Transmission Licensee and which consists (wholly or mainly) of Extra High Voltage electric lines and electric plant and which is used for conveying electricity from a Generation Plant to a substation, from one Generation Plant to another or from one substation to another, including all Extra High Voltage electric lines which are used to convey electricity to the premises of bulk supply consumers (but shall not include any such lines which form part of any Distribution System).

4. Unless otherwise specified:
 - (a) any reference to a numbered Condition or to a numbered Schedule is respectively a reference to the Condition or the Schedule bearing that number in this Licence;
 - (b) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the Condition or Schedule in which the reference occurs; and
 - (c) (without prejudice to any provision which restricts such variation, supplement or replacement) any reference to any agreement, licence (other than this Licence), code or other instrument shall include a reference to such agreement, licence, code or other instrument as varied, supplemented or replaced from time to time.
5. The heading or title of any Part, Condition, Schedule or paragraph shall not affect the construction thereof.
6. Where any obligation of the Licensee is expressed to require performance within a specified time limit, that obligation shall continue to be binding and enforceable after that time limit if the

Licensee fails to perform that obligation within that time limit (but without prejudice to all rights and remedies available against the Licensee by reason of the Licensee's failure to perform within the time limit).

7. If there is any inconsistency between this Licence and the Act, the Act shall prevail to the extent of any such inconsistency. Conditions set out in the Act shall form an integral part of the Licence in addition to Conditions set out herein.

Condition 2: Authorised Business Activities

1. The Licensee shall using the Generation Plant(s) identified in the Schedule conduct the Generation Business, other businesses for which the Commission has issued licences and may, subject to approval by the Commission and conditions which may be imposed by the Commission in granting such approval, conduct business activities that:
 - (a) use an existing competency of the Licensee; and
 - (b) are compatible and integrate with the Generation Business.
2. Other than the Generation Business and the business activities which have been approved by the Commission pursuant to paragraph 1, the Licensee:
 - (a) shall not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities; and
 - (b) shall procure that each of its Subsidiaries and Related Undertakings do not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such business activities.
3. This Condition shall not prevent the Licensee from engaging in any business, undertaking or activity:
 - (a) that is essential to the conduct of the Generation Business or a business approved by the Commission pursuant to paragraph 1; or
 - (b) that was already conducted by the Licensee before the date on which this Licence comes into force.
4. The Commission may, upon application by the Licensee, relieve the Licensee from its obligations under this Condition in relation to any particular case to such extent and subject to such terms and conditions as the Commission may specify in writing.

Condition 3: Provision of Information to the Commission

1. The Licensee shall furnish to the Commission, in such manner and at such times as the Commission may require, such Information and shall procure and furnish to it such reports as the Commission may consider necessary in the light of the Conditions or as it may require for the purpose of performing the functions assigned or transferred to it by or under the Act or the PUCSL Act.
2. Without prejudice to the generality of paragraph 1, the Commission may call for the furnishing of accounting Information which is more extensive than, or differs from, that required to be prepared and supplied to the Commission under Condition 9.
3. The power of the Commission to call for Information under paragraph 1 is without prejudice to the power of the Commission to call for Information under or pursuant to any other Condition of this Licence or under or pursuant to the Act, the PUCSL Act or any other enactment.
4. The Licensee within one month of obtaining the Licence shall appoint a person in its organisation, who is responsible for its Generation Business and inform the Commission of the appointment and of any subsequent change of the appointed person, during the term of the License.
5. In this Condition:

"Information" shall include any books, documents, records, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Commission) of any description and in any format specified by the Commission.

Condition 4: Decisions, Orders, Directions and Determinations of the Commission

1. The Licensee shall comply with any decisions, orders, directions and determinations made by the Commission pursuant to the Act and the Licence.
2. Subject to the provisions of the Act any costs associated with compliance with such orders, directions and determinations shall be the responsibility of the Licensee.
3. In order to comply with any order or direction made by the Commission in accordance with Section 38 of the Act, the Licensee shall allow the Commission or any other authority or person specified in the order such access to or control of its property as the Commission requires.

Condition 5: Development of and compliance with technical and operational codes

1. At the request of the Commission the Licensee shall, in consultation with any Electricity Undertakings the Commission consider appropriate, develop and implement such technical and operational codes as the Commission may direct, from time to time.
2. Any technical and operational codes developed pursuant to paragraph 1 shall be submitted to the Commission for Approval before they may be implemented.
3. The Licensee may propose Modifications to a code that is in force at the relevant time by notifying the Commission of its proposal in accordance with the code Modification process set out in the relevant code.
4. The Licensee shall give or send a copy of all Approved technical and operational codes (and any revisions thereto) developed and implemented by the Licensee pursuant to this Condition to:
 - (a) the Commission; and
 - (b) any person requesting the same.
5. The Licensee may make a charge for any copy of any code given or sent pursuant to paragraph 4(b) of an amount which shall not exceed any amount specified for the time being for the purposes of this Condition in directions issued from time to time by the Commission.
6. The Licensee shall comply with the provisions of any Approved technical and operational codes which are specified therein as applicable to it.
7. The Commission may, following consultation in relevant circumstances with any Electricity Undertakings the Commission shall consider appropriate, issue directions relieving the Licensee of its obligation under paragraph 6 in respect of such part or parts of any Approved technical and operational codes to such extent as may be specified in those directions and subject to such terms and conditions as the Commission may determine.
8. The Licensee shall comply with the existing technical and operational codes in respect of all activities, until such time Commission Approved technical and operational codes are available.

Condition 6: Other Agreements

1. In accordance with Section 15(2)(f) of the Act, the Licensee shall enter into any agreements with other persons it is directed to by the Commission, including tariff and connection agreements with the relevant licensees.

2. The Licensee shall be required to participate in the preparation of any agreement which it has been directed to enter into by the Commission.
3. If, after a period which appears to the Commission to be reasonable for the purpose, the Licensee has failed to enter into an agreement it has been directed to by the Commission, the Commission shall, on the application of such person or the Licensee, settle any terms of the agreement in dispute between the Licensee and the person in question in such manner as appears to the Commission to be reasonable.

Condition 7: Plant and equipment

1. The Licensee shall develop and maintain Generation Plants and all other plants, equipments & structures required for power generation owned by the Licensee for the Generation Plant(s) identified in the Schedule to ensure that they are operated in an efficient and reliable manner.

Condition 8: Competition

1. The Licensee shall not enter into agreements, make any decisions or engage in any concerted practices which have as their object or effect the prevention, restriction or distortion of competition in Sri Lanka.
2. The Licensee shall not engage in any conduct which amounts to the abuse of a dominant position in any electricity market in Sri Lanka, which may affect trade within Sri Lanka.

Condition 9: Separate accounts for the Generation Business

1. For the purposes of this Condition, the Licensee's financial year shall be determined as follows:
 - (a) The Licensee's first financial year shall run from (and including) the date of the grant of this Licence up to (and including) the last day of the calendar year, provided that if the period between the date of the grant of this Licence and the last day of the calendar year is three calendar months or less, then the Licensee's first financial year shall run from (and including) the date of the grant of this Licence up to (and including) the last day of the next calendar year.
 - (b) Each subsequent financial year shall run from the day immediately following the last day of the preceding accounting period, up to (and including) the last day of the accounting period.
2. The remaining paragraphs of this Condition apply for the purpose of ensuring that the Licensee (and any Affiliate or Related Undertaking of the Licensee) maintains accounting and

reporting arrangements which enable separate accounts to be prepared for the Generation Business and showing the financial affairs of the Generation Business.

3. The Licensee shall, in respect of the Generation Business:
- (a) keep or cause to be kept such accounting records in accordance with the Ceylon Electricity Board Act, No. 17 of 1969 (as amended) and Sri Lanka Accounting Standards, in respect of the Generation Business as would be required to be kept in respect of the Generation Business if it were carried on by a separate entity and, where appropriate, consolidated accounts for other activities (to the extent permitted by Condition 2), so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Generation Business are separately identifiable in the books of the Licensee (and any Affiliate or Related Undertaking of the Licensee) from those of any other business of the Licensee (to the extent permitted by Condition 2); and
 - (b) prepare on a consistent basis from such accounting records in respect of:
 - (i) the first Financial Year and each subsequent Financial Year, accounting statements comprising a profit and loss account, a balance sheet and a cash flow statement, together with notes thereto, and showing separately, in respect of the Generation Business and in appropriate detail any Financial Year with a value of Rs. 500 million or more which the Licensee has conducted with any of its Affiliates or Related Undertakings and the amounts of any revenue, cost, asset liability, reserve or provision, which has been either:
 - (1) charged from or to any other business together with a description of the basis of that charge; or
 - (2) determined by apportionment or allocation between the Generation Business and any other business together with a description of the basis of the apportionment or allocation; and
 - (c) procure, in respect of the accounting statements prepared in accordance with this Condition in respect of a Financial Year, in their opinion, those statements have been properly prepared in accordance with this Condition and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Generation Business; and
 - (d) deliver to the Commission the accounting statements referred to in sub-paragraph (b)(i) & Auditor General's/Independent Auditor's reports of the said accounting statements as soon as reasonably practicable and, in any event, not later than six

months after the end of the Financial Year to which they relate in the case of the accounting statements referred to in sub-paragraphs (b)(i) and (c).

4.
 - (a) The Licensee shall not, in relation to the accounting statements in respect of a Financial Year, change the bases of charge, apportionment or allocation referred to in sub-paragraph (b)(i) of paragraph 3 from those applied in respect of the previous Financial Year, unless the Commission shall previously have issued directions for the purposes of this Condition directing the Licensee to change such bases in a manner set out in the directions or the Commission shall have given its prior written approval to the change in such bases. The Licensee shall comply with any directions issued for the purposes of this Condition.
 - (b) Where, in relation to the accounting statements in respect of a Financial Year, the Licensee has changed such bases of charge, apportionment or allocation from those adopted for the immediately preceding Financial Year, the Licensee shall, if so directed in directions issued by the Commission for the purposes of this Condition, in addition to preparing accounting statements on those bases which it has adopted, prepare such accounting statements on the bases which applied in respect of the immediately preceding Financial Year.
5. Accounting statements in respect of a Financial Year prepared under sub-paragraph (b)(i) of paragraph 3 shall, so far as reasonably practicable and, unless otherwise approved by the Commission, having regard to the purposes of this Condition:
 - (a) have the same content and format (in relation to the Generation Business) as the annual accounts of the Licensee (and any Affiliate or Related Undertaking of the Licensee) conform to the best commercial accounting practices including Sri Lanka Accounting Standards currently in force; and
 - (b) state the accounting policies adopted; and
 - (c) (with the exception of the part of such statements which shows separately the amounts charged, apportioned or allocated and describes the bases of charge or apportionment or allocation respectively), be published with the annual accounts of the Licensee.
6. References in this Condition to costs or liabilities of, or reasonably attributable to, the Generation Business shall be construed as excluding taxation and capital liabilities which do not relate principally to the Generation Business and interest thereon; and references to any accounting statement shall be construed accordingly.

Condition 10: Prohibited activities

1. The Licensee shall not, and shall ensure that any Subsidiary or Related Undertaking of the Licensee :
 - (a) operate any new Generation Plant, or extend any existing Generation Plant identified in the Schedule, except as authorised by the Commission in accordance with Section 43 of the Act;
 - (b) install or keep installed an electric line above or below the ground, except as provided for in Section 44(2) of the Act or otherwise consented to by the Commission;
 - (c) sell electricity generated by it other than to the Transmission Licensee; or
 - (d) engage in the transmission, distribution or supply of electricity to any premises unless a relevant licence(s) are issued by the Commission to engage in such activities;

in Sri Lanka.

Condition 11: Payment of levy

1. The Licensee shall pay to the Commission any amounts specified in, or determined under, a Levy Order, in accordance with the provisions of such Levy Order.
2. The levy referred to in paragraph 1 for any year shall be paid by the Licensee to the Commission before the 30th day of June in that year, except in the case where the first issuance of this Licence occurs after 30th June of the relevant year, in which case the levy shall be paid by the Licensee to the Commission within 30 days of such first issue date.
3. Without prejudice to the other powers of the Commission under this Licence or the Act, where the Licensee fails to pay the levy in accordance with paragraphs 1 and 2 above, the Commission shall take action in accordance with Section 46 of the Act.

Condition 12: Assignment of the Licence and transfer of the Generation Business

1. The Licensee shall not, without the prior written consent of the Commission and of the Minister, assign this Licence either in whole or in part.
2. The Licensee shall not, without the prior written consent of the Commission, transfer to another person (the "Transferee") all or any part of the Generation Business carried out under this Licence.
3. Any consent of the Commission to any assignment of this Licence or transfer of the Generation Business shall be subject to the Commission being satisfied that the assignee or

Transferee, as the case may be, will have the technical and financial capability to comply with the Conditions of this Licence and, in the case of a transfer only, the Transferee being granted a Generation Licence, and may be subject to compliance by the assignee or Transferee, as the case may be, with any other matters determined by the Commission to be necessary, including the Modification of this Licence in accordance with the Act where deemed necessary by the Commission

4. Nothing in this Condition shall prevent the Licensee transferring the Generation Business to an assignee where the Commission and the Minister has consented to such assignment, provided that such transfer is effected as soon as practicable after such consent has been given.

Condition 13: Not Used

Condition 14: Revocation of the Licence

1. The Commission may revoke this Licence in accordance with Section 20 of the Act in the following circumstances:
 - (a) if the Licensee agrees in writing with the Commission that this Licence should be revoked;
 - (b) if any amount payable under a Levy Order referred to in Condition 11 is unpaid 30 days after it has become due and remains unpaid for a period of 14 days after the Commission has given the Licensee notice in writing that the payment is overdue; provided that no such notice shall be given earlier than the 16th day after the day on which the amount payable became due;
 - (c) if the Licensee fails to comply with an enforcement order issued by the Commission under Section 34 of the Act within 60 days from the date of its issue or such longer period as the Commission may specify in the enforcement order;
 - (d) if the Licensee ceases to carry on the Generation Business for a continuous period of 6 months except where the Commission is satisfied that this has occurred as a result of events beyond the reasonable control of the Licensee, in which case the Commission shall substitute such longer period as it, in its sole discretion, considers reasonable in all the circumstances;
 - (e) if the Licensee has not commenced carrying on the Generation Business within 6 months of the date this Licence comes into force or the first date when a Generation Plant listed in the Schedule successfully passes its commissioning tests, whichever is the later, except where the Commission is satisfied that this has occurred as a result of

events beyond the reasonable control of the Licensee, in which case the Commission shall substitute such longer period as it, in its sole discretion, considers reasonable in all the circumstances;

- (f) if the Licensee is in persistent breach of any Power Purchase Agreement to which it is a party or if any Power Purchase Agreement to which the Licensee is a party is terminated for whatever reason; or
- (g) if it is found that the issue of this Licence had been based on information provided by the Licensee which is materially inaccurate or incorrect.

Condition 15: Environment

1. The Licensee shall comply with all applicable Environmental Laws in Sri Lanka, subject to any exemptions or grace periods which may be granted to the Licensee under such Environmental Laws for compliance.
2. The Licensee shall, not later than such date as the Commission may specify in writing and in consultation with the Commission, prepare and, from time to time, modify a written policy setting out the manner in which the Licensee proposes to comply with its duties and obligations under all applicable Environmental Laws.
3. The Licensee shall report annually to the Commission on its environmental performance in such form and at such times as the Commission may specify in writing.
4. For the purposes of this Licence, "**Environmental Laws**" means those laws which are, from time to time, in force whose purpose is the protection of the environment, including the protection of human health, flora, fauna and the eco-systems on which they depend and, for the avoidance of doubt, shall include, but shall not be limited to, the National Environment Act, No. 47 of 1980 and all relevant legislation relating to the assessment of environmental impacts and the protection of air, land and water.

Condition 16: Health and safety

1. The Licensee shall take all reasonable steps to protect persons, plant, property and equipment from injury and damage that may be caused by the Licensee when carrying out the Generation Business, including preparing a safety and technical management plan as set out in paragraph 2 below.

2. The Licensee shall:
 - (a) not later than such date as the Commission may specify in writing and in consultation with the Commission, prepare a safety and technical management plan and submit the plan to the Commission for approval;
 - (b) annually review, and if necessary update, the plan to ensure its efficient operation, and submit the updated plan to the Commission for approval;
 - (c) comply with the plan (as updated from time to time) as approved by the Commission;
 - (d) not amend the plan without the approval of the Commission;
 - (e) ensure that an annual audit of its compliance with its obligations under the plan is conducted by an independent expert approved by the Commission and in accordance with the plan;
 - (f) compile health and safety statistics and indices specified by the Commission; and
 - (g) promptly report the results of those audits, statistics and indices to the Commission.

Condition 17: Insurance

1. The Licensee shall adopt and implement reasonable and prudent policies in relation to the management and insurance of risks associated with the Generation Business.

Condition 18: Power Purchase Agreement(s)

1. The Licensee shall provide electricity generation capacity and output from its Generation Plants to the Transmission Licensee under Power Purchase Agreement(s) with the Transmission Licensee.
2. The Power Purchase Agreement(s) between generation and Transmission Licensees shall be enforced by the Commission in accordance with the relevant regulations.
3. The Commission may grant permission to the Licensee to sell electricity and Ancillary Services to the Transmission Licensee based on transfer tariff rates determined in accordance with the methodology approved by the Commission.
4. The permission under Paragraph 3 shall be granted for a specific period of time as determined by the Commission subject to provisions of the Condition 19.

5. The Licensee shall enter into Power Purchase Agreement within 3 months of this Licence coming into effect.

Condition 19: Transfer Tariffs

1. The Licensee shall, as soon as practicable following the directions issued to the Licensee for the purposes of this Condition and in any event, not later than such date as the Commission shall specify in writing, and from time to time thereafter, draw up a transfer tariff scheme for bulk sales of electricity and Ancillary Services to the Transmission Licensee.
2. The transfer tariff scheme shall:
 - (a) be in a form approved by the Commission;
 - (b) contain such detail as shall be necessary to enable any Transmission Licensee to make a reasonable estimate of the availability and charges to which it would become liable for purchases of electricity;
 - (c) be set in accordance with a methodology approved by the Commission so as to reflect the costs of the Licensee in providing electricity and Ancillary Services at specified times of the year, days of the week and times of the day and permit the Licensee to recover all reasonable costs incurred in carrying out the activities authorized by this Licence on an efficient basis; and
 - (d) without prejudice to the foregoing generality
 - (i) separately identify the relevant cost components of all reasonable costs as applicable to the Licensee,
 - (ii) include a schedule of adjustment factors for fuel cost variations,
 - (iii) Provide necessary details including plant factors, availability schedules etc.
3. The Licensee shall give or send a copy of the transfer tariff scheme (as from time to time revised) to the Commission not later than 14 days before it is to be made available to any other person.
4. The Licensee shall give or send a copy of the transfer tariff (as from time to time revised) to any person requesting the same.
5. The Licensee may make a charge for any copy of the transfer tariff schedule (as from time to time revised) given or sent pursuant to paragraph 4 of an amount which will not exceed any

amount specified for the time being for the purposes of this Condition in directions issued from time to time by the Commission.

6. The Licensee shall publish the transfer tariff schedule as directed by the Commission.
7. The Licensee shall not, in setting the transfer tariff rates, restrict, distort or prevent competition in the electricity generation.
8. The Commission may give to the Licensee directions requiring the Licensee to alter the methodology or form of the transfer tariff schedule in such manner as shall be specified in the directions, or so as to attain such objectives as may be specified in the directions and the Licensee shall forthwith comply with any such directions.
9. The Commission may prescribe a procedure for review of the transfer tariff schedule.

Condition 20: Central Despatch and Merit Order System

1. The Licensee shall submit all Available generation units forming part of a Generation Plant which is capable of providing ten (10) megawatts or more to the Total System to Central Despatch by the Transmission Licensee in accordance with the conditions of this Licence.
2. The Licensee shall, at all times and in such manner as may be provided under any Approved technical and operational codes, provide the Transmission Licensee with all information reasonably required by it to enable it, in conformity with the conditions of the Transmission Licence:
 - (a) to operate the system of Central Despatch; and
 - (b) to operate the Merit Order System.
3. The Licensee shall operate each of its Available generation units in accordance with the schedules and instructions for despatch it receives from the Transmission Licensee and any Approved technical and operational codes.
4. The Licensee may apply to the Commission to be relieved of its obligations under this Condition and, if the Commission considers it appropriate after consultation with each Electricity Undertaking liable to be materially affected thereby and with such other Electricity Undertaking as it shall consider appropriate, the Commission shall relieve the Licensee from its obligations under this paragraph to the extent specified in directions (which may be subject to conditions) which it shall from time to time issue to the Licensee for the purposes of this Condition.

5. In this Condition:

- "Approved"** means approved by the Commission in accordance with Section 15(2)(d) of the Act;
- "Available"** in relation to any generation unit, means a generation unit which is available for despatch in accordance with any Approved technical and operational codes;
- "Central Despatch"** means the process of scheduling and issuing direct instructions for despatch of available generation units by the Transmission Licensee under the conditions of the Transmission Licence;
- "Merit Order System"** means a system, establishing economic precedence of electricity from Available generation units to be delivered to the Total System, operated by the Transmission Licensee under the conditions of the Transmission Licence;
- "Total System"** means the Transmission System and Distribution Systems of all Distribution Licensees, taken together.

Condition 21: Dispute resolution

1. The Licensee shall, in respect of a dispute between itself and (i) another licensee, or (ii) any other affected party which it is unable to resolve, in accordance with the rules made by the Commission under the PUCSL Act refer the dispute to the Commission for resolution in accordance with such rules or, where directed to do so by the Commission refer the dispute to court or arbitration body in accordance with the Arbitration Act, No.11 of 1995.

Condition 22: Notices

1. All notices and other communications given or made under this Licence shall be in writing.
2. Any such notice or other communication shall be addressed as provided in paragraph 3 and, if so addressed, shall be deemed to have been duly given or made as follows:
 - i) if mailed by certified or registered mail, ten (10) Business Days after mailing;
 - ii) if sent for overnight delivery with fee prepaid, six (6) Business Days after delivery to a recognised overnight express carrier;

- iii) if sent via facsimile, upon dispatch with receipt of confirmation of transmittal, or
- iv) If sent by personal delivery, upon delivery at the address of the Commission or Licensee.

Provided that, if, in accordance with the above provisions, any such notice or other communication would otherwise be deemed to be given or made outside working hours, such notice or other communication shall be deemed to be given or made at the start of the next period of working hours.

3. The relevant addressee, address and facsimile number of the Commission and Licensee for the purpose of this Licence, are:

<p>Commission</p> <p>Director General Public Utilities Commission of Sri Lanka Level 06, BOC Merchant Tower 28, St. Michael's Road Colombo 03.</p> <p>Tel: (011) 2392607/8 Fax: (011) 2392641</p>
<p>Licensee</p> <p>Ms. Bhadra Jayaweera General Manager Ceylon Electricity Board 50, Sir Chittampalam A Gardiner Mawatha Colombo 02.</p> <p>Tel: (011) 2320953, (011) 2324471-8 Fax: (011) 2323935</p>

4. The Licensee shall notify the Commission of any change of the address provided in paragraph 3, within fourteen (14) days of such change.

Schedule - Generation Plant(s)

This Licence applies to the generation of electricity from the following Generation Plant(s):

	Name of the Generation Plant	Location	Generation Unit(s)	Capacity (MW)	Commercial Operation Date
Laxapana Complex	New Laxapana	Laxapana	1	50.00	Feb/March 1974
			2	50.00	Feb/March 1974
	Old Laxapana	Laxapana	1	8.33	December 1950
			2	8.33	December 1950
			3	8.33	December 1950
			4	12.50	December 1958
			5	12.50	December 1958
	Wimalasurendra	Norton Bridge	1	25.00	January 1965
			2	25.00	January 1965
	Polpitiya (Samanala)	Pitawala	1	37.50	April 1969
			2	37.50	April 1969
Canyon	Maskeliya	1	30.00	March 1983	
		2	30.00	May 1988	
Sub Total			334.99		
Mahaweli Complex	Kotmale	Kotmale, Gampola	1	67.00	April 1985
			2	67.00	February 1988
			3	67.00	February 1989
	Victoria	Hakurutale, Adhikarigama	1	70.00	January 1985
			2	70.00	October 1984
			3	70.00	February 1986
	Ukuwela	Ukuwela, Matale	1	20.00	July/August 1976
			2	20.00	July/August 1976
	Bowatena	Bowatenna	1	40.00	June 1981
	Randenigala	Randenigala	1	61.00	July 1986
			2	61.00	July 1986
	Rantambe	Rantambe	1	25.00	January 1990
			2	25.00	January 1990
Nilambe	Nilambe	2 nos.	3.00	July 1988	
Sub Total			666.00		
Other Hydro	Samanalawewa	Kalugala, Balangoda	1	60.00	October 1992
			2	60.00	October 1992
	Kukule	Makeliya	1	37.00	July 2003
			2	37.00	July 2003
	Uda Walawe	Uda Walawe	3 nos.	6.00	April 1969
	Inginiyagala	Inginiyagala	4 nos.	11.00	June 1963
	Wind	Hambantota	5 nos.	3.00	1999
Sub Total			214.00		

Thermal Complex	KPS Gas Turbine	Wellampitiya	1	20.00	November 1980
			2	20.00	March 1981
			3	20.00	April 1981
			4	20.00	December 1981
			5	20.00	April 1982
	KPS GT7	Wellampitiya	1	115.00	August 1997
	KCCP (GT 8 + ST)	Wellampitiya	1	165.00	August 2002
	Sapu Diesel A	Sapugaskanda	1	20.00	May 1984
			2	20.00	May 1984
			3	20.00	September 1984
			4	20.00	October 1984
	Sapu Diesel B	Sapugaskanda	5	10.00	September 1997
			6	10.00	September 1997
			7	10.00	September 1997
			8	10.00	September 1997
			9	10.00	October 1999
			10	10.00	October 1999
			11	10.00	October 1999
			12	10.00	October 1999
	Chunnakam	Chunnakam	1-15	6.00	1958
Sub Total			546.00		
Grand Total			1760.99		